Minimize *effort* …Maximize *e-rate*
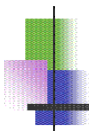
Maximizing your reimbursements

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Priority 1 Services

- Two P1 Categories: Telecommunications Services and Internet Access
- Priority 1 services receive funding first
  - All P1 requests are funded before any P2 requests are considered
  - P1 funding requests are growing dramatically and may soon eclipse the entire fund (meaning no P2 funding and some prioritization or partial funding scheme for P1)

Priority 1 Services

▸ Telecommunications Services
  ◦ Provided by an eligible telecommunications provider
  ◦ Includes "digital transmission services"
    • T-1, DS-3, DSL, fiber, etc.
  ◦ Voice phone service (including POTS, Centrex, interconnected VOIP, cellular)

Priority 1 Services

- Internet Access
  - Can be provided by any company
  - Internet access service can include both "port" (the termination of a connection at the ISP) and "transport" (the connection between the library and the port)
    - Important to understand the distinctions for CIPA
  - Also includes other services
    - Website hosting, email hosting, interconnected VoIP, domain name registration, on campus wireless Internet Access

Priority 1 Services

▸ Additional wrinkle: "Telecommunications" vs. "Telecommunications Services"

- ◦ "Telecommunications" created in 2010 by Sixth Report and Order
- ◦ "Telecommunications" can be provided by anyone (community networks, state/municipal networks, higher education networks)
- ◦ Lit or dark fiber
- ◦ Covers costs for installation up to the property line

Priority 1 Services

▸ Bundled Telecommunications Services and Internet Access Services

  ◦ As a practical matter, can be applied for in either category of service
  ◦ *HOWEVER*: CIPA requirements apply regardless of which category of service is used on the application

▸ Unbundled, libraries can apply for telecommunications services for transport and separately purchase the Internet Access

Maximizing Your E-rate Reimbursements:

Priority 2 and Contracts

Priority 2: Overview

▸ Only funded after all eligible P1 applications are funded
  ◦ Most years, funded down to 80% discount, but for 2010 *all* P2 applications funded
    • In 2010, AZ libraries averaged 80% discount
  ◦ For 2011, SLD now funding down to 90%
▸ Can only apply 2 of every 5 years
  ◦ IC maintenance exception
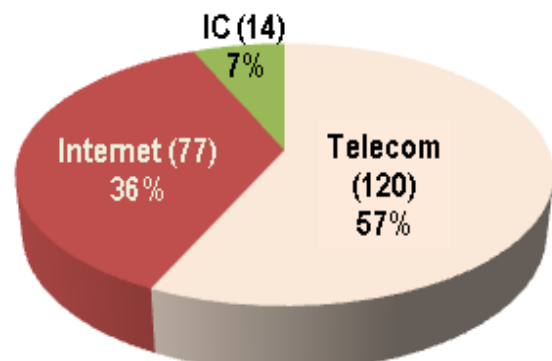 ◦ FCC likely to review this in 2012

> The 2-in-5 rule has not worked. It has not increased P2 funding to more schools and libraries.
> -- FCC, May 2010

Priority 2: What Is Eligible?

- Overall P2: Supports networking infrastructure *within* the library including:
  - Network cabling
    - Copper, fiber
  - Network hardware
    - Switches, routers, hubs
  - Installation/configuration of eligible hardware
  - Training on how to use eligible hardware
- Basic maintenance
  - Some restrictions

2011 AZ Library Funding Requests (211)

IC (14)
7%

Internet (77)
36%

Telecom
(120)
57%

Contracts

▸ Major reasons for E-rate denials* or lengthy PIA inquiries:
  ◦ Improper bidding on 470 and/or RFP
  ◦ Improper contracts
▸ What is a contract determined by state law
▸ Contracts:
  ◦ *Must not be* signed by applicant before the 28 day form 470 open bid period (aka, Contract Award Date) but,
  ◦ *Must be* signed before filing form 471
▸ Coordinate release of any RFP to filing 470
  ◦ Critical if another party (e.g., state, local gov't.) does bidding

* 55% of all denials are related to bidding or contract issues. See
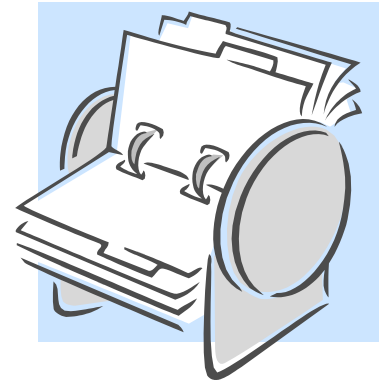http://www.usac.org/_res/documents/sl/pdf/2010_training/Applicant-Program-Compliance.pdf

Contracts (con't)

- State length of desired contract in RFP and 470
  - Critical if seeking multi-year contracts and/or contracts with voluntary extensions
- Post 470 once for multi-year contracts; but must file 471 *every year*
- Can purchase off state or local gov't. contracts
  - Must know what party files what forms
  - Must be able to document services and costs
- Keep contract and any related documentation for 5 years past contract end date

Questions?

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Thank You!